

**BY-LAWS OF
COWPET BAY WEST CONDOMINIUM ASSOCIATION**

Cowpet Bay
St. Thomas, Virgin Islands

February, 2012

**Article I
Plan of Apartment Unit Ownership**

Section 1. Apartment Unit Ownership: The property located at Parcels 8-56-1 and 8-1-2, 4, 5, & 6 of Estate Nazareth, No.1 Red Hook Quarter has previously been submitted in a declaration forming an association under the provisions of Chapter 33, Title 28 of the Virgin Islands Code, known as the "Condominium Act of the Virgin Islands". The association has been and will continue to be known as "COWPET BAY WEST", hereinafter called the "Condominium".

Section 2. Applicability of By-Laws: The provisions of these by-laws are applicable to the Property of the Condominium and the use and occupancy thereof. The term "Property", as used herein, shall include the land and all buildings and other improvements thereon owned by the association and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which were previously submitted to the provisions of said Chapter 33, Title 28 of the Virgin Islands Code.

Section 3. Application: All present and future owners, mortgagees, lessees, occupants of apartment units and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations.

The Acceptance of a deed, mortgage or conveyance or the entering into of a lease or the act of occupancy of an apartment unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office: The office of the Condominium and of the Board of Directors shall be located at Cowpet Bay West, Estate Nazareth, No.1 Red Hook Quarter, St. Thomas, Virgin Islands. The mailing address shall be 6201 Windward Way, St. Thomas, USVI 00802, or such address as may be designated by the Board, upon 30 days written notice to the members of the Association.

**ARTICLE II
Board of Directors**

Section 1. Number and Qualifications: The affairs of the Condominium shall be governed by a Board of Directors. The Board of Directors shall be composed of seven persons, all of whom

shall be owners or spouses of owners, or in the case of partnership owners, shall be members of said partnership, or in the case of corporate owners, shall be officers or stockholders of such corporations, or in the case of fiduciary owners shall be the fiduciaries or beneficiaries of any such trust or in the case of a limited liability company, shall be the members of such company. A Board member may not base his/her eligibility to sit on the Board on the same unit as any other member of the Board.

No person who is in arrears for ninety days or more on any billing or assessment by the Cowpet Bay West Condominium Association shall be eligible to be elected to or serve as a director on the Board of Directors. In the event such person is serving as a director, that person's position as director shall be declared to be vacant and another person appointed by a majority vote of the remaining Board to fill the vacancy so created, until the next regular election of the Board of Directors. Arrearages of partnerships, corporations, trusts, fiduciary owners, etc. on which a person's eligibility to serve on the board is based, shall be considered in determining the eligibility of a person to be elected to or to continue to serve on the board.

Section 2. Powers and Duties: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law, by the Declaration (to the extent still applicable), or by these By-Laws may not be delegated to the Board of Directors by the unit owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common areas and facilities.
- (b) Determination of Association Charges, which shall include the common expenses required for the operation of the Condominium, insurance, water, utility rates, late fees and interest charges, fines for By-Laws and rules, regulation violations, any reserve fund maintained by the association and the costs of services provided.
- (c) Collection of Association charges, as hereinafter defined, from the unit owners, and maintaining and accounting for those funds.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities.
- (e) Adoption, amendment and enforcement of rules and regulations covering the details of the operation and use of the Property.
- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefore.
- (g) Purchasing or leasing or otherwise acquiring in the name of the Association or its designee, corporate or otherwise, on behalf of all unit owners, apartment units offered for sale or surrendered by their owners to the Board of Directors.
- (h) Purchasing of apartment units at foreclosure or other judicial sales in the name of the Association or its designee, corporate or otherwise, on behalf of all unit owners.

- (i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with apartment units acquired and subleasing apartment units leased by the Association, or its designee, corporate or otherwise on behalf of all unit owners.
- (j) Organizing corporations to act as designees of the Board of Directors in acquiring title to or leasing of apartment units on behalf of all unit owners.
- (k) Obtaining of insurance for the Property, including the apartment units owned or required to be maintained by the Association, pursuant to the provision of Article V, Section 2 hereof.
- (l) Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

Section 3. Managing Agent and Manager: The Board of Directors may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the manager or managing agent, all of the powers granted to the Board of Directors by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j) and (k) of Section 2 of this Article II.

Section 4. Election and Term of Office:

Directors will serve for a term of three years. Two Directors shall be elected the first year, two the second year, and three the third year to replace those directors whose terms are expiring. Where a vacancy has been filled by vote of a majority of the vote of the remaining members of the Board, as provided in Section 6, that person shall be a member until the next Annual Meeting, at which time the unit owners shall elect the replacement for the remainder of the original term, if any. Any candidate for director may run for a full term, or any term created by a vacancy, or both.

Each Director shall be elected by the vote of a majority (as defined in Article III Section 9) of the unit owners. All vacancies shall be voted for on the same ballot, and the candidates with the highest number of votes shall be elected to each of the vacancies. Each candidate's name shall be preceded by a space where an "X" may be placed to vote for said candidate. It shall not be required that a name be crossed out and another inserted to vote for a candidate on the ballot. A space for write-in candidates shall also be provided. Ballots and proxies shall be provided to the owners not less than 30 days prior to the Annual Meeting.

The members of the Board of Directors shall hold office until their respective successors shall have been elected by the unit owners.

A Board member may serve only two consecutive terms and may not hold office for one year before being eligible to run again.

Section 5. Removal of Members of the Board of Directors: At any regular or special meeting of unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any members of the Board of

Directors whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

If a Board member does not attend any of the Board meetings during an entire year, and also does not attend the annual owners meeting that same year, such member may be removed from the Board by a majority of the other members of the Board of Directors.

Section 6. Vacancies: Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by a vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors until a successor shall be elected at the next Annual Meeting of the unit owners. At that time a director shall be elected to serve the remainder of the term of the original vacating director.

Section 7. Organization Meeting: The first meeting of the members of the Board of Directors shall be an organizational meeting held directly following the Annual Meeting of the unit owners, at such time and place as shall be fixed by the Board members at said meeting, and no notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting, provided a majority of the whole Board of Directors shall be present thereat. If it is not possible to hold such first meeting of the new Board immediately, then it shall be held as soon as possible and proper notice shall be given to each director, as for any special meeting of the Board of Directors.

Section 8. Regular Meetings: Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors by mail, electronic mail or fax transmission, at least thirty days prior to the day named for such meeting.

Section 9. Special Meetings: Special meetings of the Board of Directors may be called by the President upon five business days notice to each member of the Board of Directors, given by mail, electronic mail or fax transmission, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two members of the Board of Directors. Such special meeting may be conducted by a teleconference call.

Section 10. Waiver of Notice: Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors: At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of the majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, , a majority of those present

may adjourn the meeting from time to time. No business may be transacted until a quorum is achieved. Board members may participate by teleconference call.

Section 12. Fidelity Bonds: The Board of Directors shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for condominium funds. The premiums on such bonds shall constitute a common expense.

Section 13. Compensation: No member of the Board of Directors shall receive any compensation from the Condominium Association for serving as a board member. However, verifiable expenses, in accordance with guidelines established by the Board in advance, are reimbursable. A Board member may also be compensated for other services unrelated to his/her Board function.

Section 14. Liability of the Board of Directors: The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Property unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws.

It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Property. It is also intended that the liability of any unit owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability there under as his interest in the common areas and facilities bears to all such interest.

Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Property shall provide that the members of the Board of Directors or the managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability there under (except as unit owners) and that each unit owner's liability there under shall be limited to such proportion of the total liability there under as his interest in the common areas and facilities bears to all such interest.

Section 15. Executive Committee: The Board of Directors, by resolution passed by a majority of the entire Board, shall designate at the Organization Meeting or anytime thereafter, three members of the Board to constitute an Executive Committee, with one member thereof designated as Chairman. The purpose of the Executive Committee is to control the day-to-day management of the Association.

The Board of Directors from time to time shall define the authority of the Executive Committee, but shall retain for itself the powers and duties as itemized in Section 2 (b), (e), (h), (i), and (j). Additionally, the Board shall retain the right to appoint the manager or managing agent, fill vacancies in the Board, make changes in the Rules and Regulations, and acquire property.

The Board of Directors, at any time, may change the members of, may fill vacancies in, or may discharge the Executive Committee. Two members shall constitute a quorum of the Executive Committee. The act of a majority of the members at any meeting at which there is a quorum shall be the act of the Committee. The Board of Directors shall establish rules of procedure for the Committee governing, but not limited to, such items as notice and powers.

The Executive Committee shall make recommendations to the Board of Directors, and when the Board is not in session may, to the extent that the committee deems necessary, exercise the

powers of the Board in the management of the business and affairs of the Association; and it shall have the powers to authorize the seal of the Association to be affixed to all papers which may require it.

The Executive Committee shall keep records of all its proceedings and shall report same to the Board of Directors, and its individual members, in writing within a reasonably short period of time after each significant action and after all meetings.

Section 16. Inspection by Executive Committee: The Executive Committee shall make a detailed inspection of the buildings, pump rooms, offices, maintenance shops, sewage and water-making plants, emergency generator, roads, sidewalks, steps, entry bridges, railings, grounds, landscaping, watering systems, the beach and the sea wall at least twice a year in the company of the manager or managing agent,. Additionally, the Committee shall evaluate the operation of the Association office and the overall security situation of the property.

The purpose of such inspections will be to (a) obtain a better understanding of the job being performed by the manager and his staff and (b) make suitable recommendations for possible future actions. Within 30 days after each such semi-annual inspection, the Committee will report its findings and recommendations to the members of the Board of Directors.

Section 17. Action by Consent: Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a written consent thereto is signed by three-quarters of the members, (rounded off to the nearest whole number), of the Board of Directors or of such committee as the case may be, and filed with the minutes of proceedings of the Board of Directors or committee.

Section 18. Nomination of Directors: Nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at its organizational meeting and serve until the next Annual Meeting.

The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Each nomination shall be for a specified vacancy.

Any person qualified under Section 1 of Article II of these By-Laws to serve on the Board of Directors may be nominated for the Board of Directors by submitting a request, signed by the owners of two units in which the nominee has no financial interest, to the Board Secretary sixty days prior to the Annual Meeting. The Board shall include his/her name on the ballot directly following the nominee(s) proposed by the Nominating Committee for each vacancy. Any nomination that does not specify a specific vacancy shall be deemed a nomination for all vacancies.

Section 19 – Communications

Communications by, from, to and among the Board may be in writing, by fax or by electronic communications (telephone, telephone conference, email, internet, etc.) Telephone and telephone conference conversations must be documented (e.g., minutes or record of conversation). This communication will constitute "official" communication by the Board.

ARTICLE III Unit Owners

Section 1. Annual Meeting:

The Annual Meeting of the unit owners shall be held during the first quarter each year. At the Annual Meeting, Directors shall be elected by ballot in accordance with the requirements of Section 4 of Article II of these By-Laws, and the unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meeting: Meetings of the unit owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section 3. Special Meetings: It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by not less than 25% in common interest, in the aggregate, of unit owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No other business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meeting: It shall be the duty of the Secretary to mail a notice of each annual meeting of the unit owners not less than thirty days nor more than ninety days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner of record, at the building or at such other address as such unit owner may have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice. The Board of Directors may assign the task of providing notice to unit owners to a person other than the Secretary. Special meetings require not less than ten days notice.

Section 5. Adjournment of Meetings: If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the unit owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called.

Section 6. Order of Business: The annual meeting of the unit owners shall be chaired by the President or other member of the Board of Directors chosen by the Board, and the order of business shall be generally as follows:

- (a) Roll Call – by unit
- (b) Establishment of Quorum (1/3 of all unit owners)
- (c) Proof of Notice of Meeting
- (d) Approval of Minutes of last year's Annual Meeting
- (e) President's Report (including cost and coverage of insurance)
- (f) Treasurer's Report (including discussion of Budget and Financial Status)
- (g) Property Manager's Report
- (h) Report of Nominating Committee
- (i) Election of Board Members
- (j) Old Business
- (k) New Business

Section 7. Title to Apartment Units: Title to apartment units may be taken in the name of an individual, or in the names of two or more persons as tenants in common, joint tenants or tenants by the entirety, or in the name of a corporation, partnership, limited liability company or other legal entity authorized to own real property in the Virgin Islands, or in the name of a fiduciary.

Section 8. Voting: The owner or owners of each apartment unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the vote appurtenant to such apartment unit at all meetings of unit owners. The designation of any such proxy shall be made in writing and shall be revocable at any time by written notice to the Secretary or in person at the meeting. Any or all such owners or proxies may be present at any meeting of the unit owners and may vote or take any other action as a unit owner either in person or by proxy. Votes of unit owners shall be weighted in accordance with their share of the common interest, as follows, with the total of all votes equaling one hundred:

2 Bedroom	.911
3 Bedroom	1.062
2 Bedroom + Loft	1.193
4 Bedroom	1.301
3 Bedroom + Loft	1.376

The Board of Directors shall accept any vote if the owner is one of the owners of record of the unit, or in the case of a proxy, if there is no obvious defect on the face of such proxy. It shall be the burden of the protestor to offer satisfactory proof that the proffered vote or proxy is invalid and that his is the proper one.

Section 9. Majority of Unit Owners: As used in these By-Laws, the term "majority of unit owners: shall mean those unit owners having more than 50% of the total authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum: Except as otherwise provided in these By-Laws, the presence in person or by proxy of unit owners having one-third (1/3) of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 11. Majority Vote: The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where, in the Declaration or these By-Laws, or by law, a higher percentage vote is required.

ARTICLE IV

Officers

Section 1. Designation: The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant secretary, an assistant treasurer, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Directors.

Section 2. Election of Officers: The officers of the Condominium shall be elected annually by the Board of Directors at the Organization Meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor

may be elected by the Board of Directors at any regular or special meeting of the Board of Directors called for such purpose.

Section 4. President: The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Corporation Law of the Virgin Islands, including but not limited to the power to appoint committees from among the unit owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President: The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors or by the President.

Section 6. Secretary: The Secretary shall keep the Minutes of all meetings of the unit owners and of the Board of Directors. He shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Corporate Law of the Virgin Islands.

Section 7. Treasurer: The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, or the managing agent, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Corporation Law of the Virgin Islands.

Section 8. Agreements, Contracts, Deeds, Checks, etc.: All agreements, contracts, deeds, leases and other instruments of the Condominium shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers: No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges: The Board of Directors shall from time to time, and at least annually, prepare a budget for the condominium, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the unit owners according to their respective common interests. Common expenses shall include, among other things, operation and maintenance, insurance premiums,

repairs and such amounts as the Board of Directors may deem proper for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year.

The common expenses may also include such amounts as may be required for the purchase buy or lease to the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, of any apartment unit whose owner has elected to sell or lease such apartment unit to the Board of Directors, or of any apartment unit which is to be sold at a foreclosure or other judicial sale.

The Board of Directors shall advise all unit owners promptly in writing of the amount of common charges payable by each of them, respectively, as determined by the Board of Directors, as aforesaid, and shall furnish to all unit owners copies of each budget on which such common charges are based.

A summary of the previous year's actual income and expenditures, a year end summation of liquid assets and accounts payable/receivable, and an approved budget for the current year shall be provided to all owners not less than 30 days prior to the Annual Meeting.

Section 2. Insurance:

The Board of Directors shall annually obtain and maintain, to the extent obtainable, the following insurance:

1. Fire insurance with extended coverage to include earthquake and flood coverage, vandalism and malicious mischief endorsements insuring the entire buildings and "common elements" (including all the individual unit's bathroom and kitchen fixtures and together with all service machinery contained therein and covering the interest of the Condominium, the Board of Directors and the Common Interest of the unit owners in an amount to be determined by the Board of Directors.
2. Windstorm, insuring the entire buildings and "common elements" together with all service machinery contained therein and covering the interest of the Condominium, the Board of Directors and the Common Interest of the unit owners in an amount to be determined by the Board of directors.
3. Worker's Compensation; Public Liability covering each member of the Board of Directors, the managing agent, the manager, the office manager and each unit owner; Vehicle and other such insurance as the Board of Directors may determine in amounts to be determined by the Board of Directors.

All policies of physical damage shall provide that such policies may not be cancelled or substantially modified without written notice from the Board of Directors.

From time to time or as required by insurers, the Board of Directors shall obtain from a certified and USVI licensed real estate appraiser an appraisal of the full replacement value, without deduction for depreciation, of the buildings, common areas and facilities for the purpose of determining the amount of insurance required.

Unit owners shall be encouraged to carry Home Owners insurance on their "apartment unit" for their own benefit provided that all such policies shall indicate that the liability of the carrier(s) issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any unit owner.

At each Annual Meeting, the Board shall provide to the owners a concise summary of all insurance coverage and costs.

The terms "common elements" and "apartment unit," as mentioned above, are defined in Article 5, Section 10 "Routine Maintenance and Repair."

Section 3. Repair or Reconstruction After Fire or Other Casualty: In the event of damage to or destruction of the commonly owned buildings and elements as a result of fire or other casualty (unless 66-2/3% or more of the buildings are destroyed or substantially damaged and 75% or more of the unit owners determine in accordance with the Declaration not to proceed with the repair or restoration), the Board of Directors shall arrange for the prompt repair or restoration of the commonly owned buildings and elements, and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair or restoration in appropriate progress payments. Any cost of such repair or restoration in excess of the insurance proceeds shall constitute a common expense – and the Board of Directors may assess all the unit owners for such deficit as part of the common charges.

The association shall only be responsible for inspecting unit interiors to determine if damage is structural or due to external causes, or if adjacent unit damage is caused by external causes, or unless that unit is owned by the association. Unless that unit is owned by the association, repair by the association of other unit damage will be limited to structural damage, that caused by external or adjacent unit causes, and will not include property or fixtures installed by the owner or previous owners.

Within ninety days after a casualty of an estimated repair cost of \$100,000 or greater, the Board will provide to the owners a financial status report indicating projected repair costs, source(s) of necessary funds, expenditures and commitments to date, and a schedule and plan for completion. This report will be updated and issued to owners on a quarterly basis, thereafter, until repairs are complete. A current report shall be provided at the next Annual Meeting.

If 66-2/3% or more of the Building(s) are destroyed or substantially damaged and if within sixty days of the date of such destruction or damage, 75% or more of the unit owners determine not to proceed with repair and restoration, the Property shall be subject to an auction for partition at the suit of any unit owner or lien holder, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (less any repairs conducted) shall be divided by the Board of Directors among all the unit owners in proportion to their respective common interests, after first paying out of the share of each unit owner the amount of any unpaid liens on his/her apartment unit, in the order of priority of such liens.

Section 4. Payment of Association Charges: All unit owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Directors shall determine, as well as "other charges" for utilities, services, unit repairs, late fees, interest, fines and/or collection costs, if incurred. With respect to the following sections concerning payment, collection, default, foreclosure, etc., in Sections 4, 5, 6, 7, & 8 below, the term "association charges" is intended to include, but not be limited to, all the above items, both the "common" and "other" charges.

No unit owner shall be liable for the payment of any part of association charges assessed against his apartment unit subsequent to a sale, transfer or other conveyance by him of such apartment unit, together with the Appurtenant Interests, as defined in Section 1 of Article VII hereof. In addition, any unit owner may, subject to acceptance by the Board of Directors provided that his apartment unit is free and clear of liens and encumbrances other than mortgages and statutory liens for unpaid association charges, convey his apartment unit, together with the "Appurtenant Interests" to the Board of Directors, or its designee, corporate or

otherwise, on behalf of all other unit owners, and in such event be exempt from association charges thereafter assessed.

However, a purchaser of an apartment unit shall be liable for the payment of association charges assessed against such apartment unit prior to the acquisition by him of such apartment unit, without prejudice to such purchaser's right, if any, to recover from the seller the amounts paid by the purchaser, except that a first mortgagee or other purchase of an apartment unit at a foreclosure sale of a first priority mortgage of such apartment unit shall not be liable for and such apartment unit shall not be subject to a lien for the payment of association charges which became due prior to the acquisition of title by such acquirer.

Section 5. Collection of Association Charges: The Board of Directors shall assess association charges against the unit owners from time to time and shall take prompt action to collect any charges due from any unit owner, which remain unpaid for more than thirty days from the date due for payment thereof. Such action may include placement of a lien on the apartment unit, notification to the mortgagee of the owner's failure to pay association charges and foreclosure on the lien. Additionally, suspension of utilities by a majority vote of the Executive Committee is permitted if an owner is more than 90 days in arrears of any Association charges. Payments received from unit owners will be applied to Association Charges in the chronological order incurred.

Section 6. Default in Payment of Association Charges: In the event of default by any unit owner in paying to the association charges as determined by the Board of Directors, such unit owner shall be obligated to:

- (1) pay interest from the date of the initial billing at the maximum legal rate of interest, as defined by the Virgin Islands Laws, on all amounts past due,
- (2) pay a monthly service charge as determined and promulgated from time-to-time by the Board of Directors,
- (3) pay all expenses and attorneys' fees incurred by the Board of Directors in any proceeding brought to collect such unpaid association charges.

All such unpaid association charges shall constitute a lien on such unit prior to all other liens except those specified in Section 922 of Chapter 33, Title 28 of the Virgin Islands Code. The Board of Directors shall have the right and duty to attempt to recover all association charges, together with interest and monthly service charges thereon, and the expenses of the proceeding, including attorneys' fees, in any action to recover the same brought against such unit owner, or by foreclosure of the lien on such apartment unit granted by Section 922 of Chapter 33, Title 28, Virgin Islands Code.

Section 7. Foreclosure of Liens For Unpaid Association Charges: In any action brought by the Board of Directors to foreclose a lien on an apartment unit because of unpaid association charges, the unit owner shall be required to pay a reasonable rental for the use of his apartment unit, and the plaintiff in such foreclosure action shall be entitled to the simultaneous appointment of a receiver to collect the same. The Board of Directors, acting on behalf of all unit owners, shall have power to purchase such apartment unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid association charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Association Charges: The Board of Directors shall promptly provide any unit owner so requesting the same in writing, with a written statement of all unpaid association charges due from such unit owner.

Section 9. Abatement and Enjoinment of Violations by Unit Owners: The violation of any rule or regulation adopted by the Board of Directors or the breach of any of these By-Laws contained herein, or the breach of any provisions of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws (a) to enter the apartment unit in which, or as to which, such violation or breach exists and to summarily abate or remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 10. Routine Maintenance and Repair: All maintenance of and repairs to any "apartment unit" (other than maintenance of and repairs to any common areas and facilities contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such apartment unit) shall be the responsibility of the owner of such apartment unit. Also, each unit owner shall be responsible for damage to other apartment units and/or to the common areas and facilities resulting from conditions for which such owner has responsibility as indicated above.

An "apartment unit" is considered the space inside the perimeter walls, interior walls, floor and ceiling to include:

1. All decorating elements including: paint, wall and floor coverings, paneling, molding and tiles; finished cabinets and mirrors.
2. All electrical appliances including: refrigerator, stove, washer, dryer, dishwasher, garbage disposal, hot water heater and air-conditioning equipment (including compressor).
3. All electrical fixtures including: wall ceiling and floor outlets, switches and fuse box.
4. All plumbing fixtures including: tubs, showers, sinks, toilets and faucets.

Additionally, the unit owner shall be responsible for the routine lubrication and adjustment of doors and windows, and, unless major casualty related, replacement of broken glass, wooden or glass slats and damaged screens. The unit owner shall also maintain and assure the operability of the storm shutters installed on that unit and is responsible to close them in the event of a windstorm. Damage caused by failure to do so is the responsibility of the owner if net insurance proceeds are insufficient to cover such damage.

Screen doors may be installed on the main street-side entry doors at the unit owner's expense provided they meet the existing décor. Once installed, they must be maintained by the unit owner in a good state of repair, or the Association will do so at the owner's expense.

Except for the limited exceptions noted above, all maintenance, repairs and replacements to the "common elements", common areas and facilities, whether located inside or outside of the apartment units, (unless necessitated by the negligence, misuse or neglect of a unit owner, in which case such expense shall be charged to such unit owner), shall be made by the Association and be charged to all the unit owners as a common expense.

"Common elements" are considered to include all other elements of the buildings and property except those specified as being part of the "apartment unit." Additionally, the following are considered common elements:

1. Electrical supply to the fuse box, not including the panel.
2. Water and plumbing lines in the walls (including interior walls), floor and ceiling to the valves at sinks, showers, tubs, hot water heater, and toilets, etc.

3. Drains to the first connection outside a wall.

External air conditioning compressor units shall be maintained by the owner in a reasonable state of preservation. The Association may require owner to remove inoperable and/or un-maintained units or do so at the owner's expense

Below is a guide to assist in clarifying owner and Association responsibility with regard to maintenance/repair and insurance."

Insurance and Maintenance Responsibility Matrix

Category (Not Intended to be all-inclusive)	Owner Maint/Repair Responsibility	Association Maint/Repair Responsibility	Association Insurance Responsibility	Owner Insurance Responsibility
Exterior Walls and Interior Damage Caused by Leaks		X	X	
Roof and Interior Damage Caused by Roof Leaks		X	X	
Interior Damage caused by Adjacent Units (Leaks, etc.)	X			Owner or Adjacent Unit's Insurance Responsible
Front Doors	X		X	
Screens	X		X	
Exterior Sliders		X	X	
Exterior Wood Railings, Trim, Benches		X	X	
Exterior Windows	X		X	
Electrical System to Breaker Panel		X	X	
Electrical System, Breaker Panel to Outlets, Junction Boxes	X		X	
Electrical Fixtures-Interior	X			X
Plumbing Inside Walls, Floors Ceilings to valves		X	X	
Condo plumbing not in walls/floors	X			X
Plumbing Fixtures	X			X
Interior Walls	X		X	
Interior Doors	X			X
Cabinets	X			X
Furniture	X			X
Appliances	X			X
Wall/Floor Coverings (tile/carpet)	X			X
Hurricane Shutters	X		X	
Furniture	X			X
Personal Property	X			X
External A/C elements	X			X
Internal A/C elements	X			X
Landside Porch/Steps/Railings		X Excluding Tile	X Excluding Tile	
Seaside Balcony/Railings		X Excluding Tile	X Excluding Tile	

Section 11. Restriction on Use of Apartment Units: In order to provide for congenial occupancy of the Property and for the protection of the value of the apartment units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

1. The apartment units shall be used for residences only. Units will not be occupied by more than two persons per bedroom for more than thirty days per year.
2. The common areas and facilities, including the limited common areas and facilities, shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of apartment units
3. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession proper use of the Property by its residents.
4. No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning laws and regulations of all governmental bodies having jurisdiction thereof shall be observed.
5. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be corrected, by and at the sole expense of the unit owners or the Board of Directors, whichever shall have the obligations to maintain or repair such portion of the Property.
6. No dogs are allowed on the property, either long term or visiting. Owners or occupants who have properly documented and verified disability as defined by Federal Law may make a request for a reasonable accommodation and exception to the prohibition on dogs on the property. An owner or occupant seeking an accommodation can do so in writing to the Board. The request shall include (1) identification of the Owner or occupant seeking the accommodation; (2) explanation of the relationship between the requested accommodation and the disability; and (3) verification of the disability and need for accommodation as set forth in this rule. To facilitate the Board's review of each request for an accommodation of a non-obvious handicap the Board may require (1) the submission of documentation verifying that the person meets the Federal Fair Housing Act's definition of disability; and (2) documentation from a doctor or other medical professional who is in a position to know about the individual's disability, and that the requested accommodation is related to the individual's disability. All information submitted to the Board that is necessary for the evaluation of the reasonableness of an accommodation will be kept confidential. If an accommodation request is granted, the disabled individual agrees to indemnify the Association and Board from any lawsuits, actions and/or damages that may be sought as a result of actions of the disabled individual and/or their emotional support or service animal. The granting of an accommodation request does not provide an exception to other common sense rules related to animals on the property, including, keeping dogs on a leash at all times as well as cleaning up the excrements of the service animal or emotional support animal.

Section 12. Additions, Alterations or Improvements by the Board of Directors: Additions, alterations or improvements to the common areas and/or facilities up to \$100,000 may be made by the Board of Directors. Additions, alterations or improvements in excess of \$100,000 shall require approval by a vote of two-thirds (2/3) in common interest of the owners. The cost of such additions, alterations or improvements shall constitute a common charge. This section is not applicable to repairs conducted in accordance with Article V Section 3 of these By-Laws.

Section 13. Additions, Alterations, or Improvements by Unit Owners: No unit owner shall make any structural addition, alteration or improvement in or to his apartment unit, including any exterior painting or exterior alteration or addition (including awnings, grills, etc.) without the prior written consent thereto of the Board of Directors. The Board of Directors shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such unit owner's apartment unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement.

A unit owner shall obtain a receipt from any person accepting his written request for a change under this section and shall show the receipt to the manager or any Director upon request. Any application to any department of the Government of the Virgin Islands or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any apartment unit shall be executed by the Board of Directors only, without, however, incurring liability on the part of the Board of Directors or any of them to any contractor, sub-contractor or supplier on account of such additions, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The owner in such instance shall provide the Board of Directors with a Hold Harmless Certificate.

Section 14. Use of Common Areas and Facilities: A unit owner shall not place or cause to be placed in the stairways or other common areas and facilities, including the limited common areas and facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind. The entry passages, stairways, entry bridges, etc., shall be used for no purpose other than for normal transit through them.

Section 15. Right of Access: A unit owner shall grant a right of access to his apartment unit to the manager and/or the managing agent and/or any other person authorized by the Board of Directors, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his apartment unit and threatening another apartment unit or a common area or facility, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common areas or facilities in his apartment unit or elsewhere in the Building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner. In case of an emergency, such right of entry shall be immediate, whether or not the unit owner is present at the time.

Section 16. Rules of Conduct: Article V Section II of these By-Laws delineates general restrictions on the use of the property. Additionally, a definitive listing of current Rules and Regulations is provided as Exhibit I hereto. These Rules and Regulations may be amended by the Board of Directors from time to time. The Board is empowered to enforce these By-Laws and Rules and Regulations with monetary fines and other sanctions and may also take any legal action in court to enforce them. An owner is subject to such fines, sanctions and/or legal actions for the actions of his tenant as if those actions were by the owner.

Copies of the Rules and Regulations shall be furnished by the Board of Directors to each unit owner prior to the time when the same shall become effective. The unit owner must insure that the tenant or occupant be fully informed and furnished with a copy of the Rules and Regulations and by fully bound thereby.

Section 17. Potable Water and Electricity: Potable water and electricity shall be supplied by the Association through the common facilities of the Condominium directly to each apartment unit through a separate meter, and each unit owner shall be required to pay the charges

therefore established, from time to time, by the Board of Directors. Water, electricity and other utility charges will normally be billed monthly incident to the common charges and are considered to be part of the "association" charges. Utility charges more than thirty days in arrears are subject to a late fee and interest per Section 6 Article V of these By-Laws, and said utilities may be suspended by the Association if an owner is more than 90 days in arrears of Association charges per Article V Section 5 thereof.

Section 18. Gas: Gas shall not be piped to any apartment unit, and unit owners are specifically prohibited from using gas as a fuel for regular cooking, water heating, or any other regular purpose. Small quantities of propane gas may be used for gas grills kept on street-side galleries and for emergency use inside apartment units.

Section 19. Grey Water and Sewerage Service: Grey water for flushing and sewerage service (including sewage disposal and treatment in the condominium's sewerage treatment plant) shall be supplied as a common facility to all unit owners, and the cost thereof shall be treated as a common expense.

ARTICLE VI **Mortgages**

Section 1. Notice of Unpaid Common Charges: The Board of Directors, whenever so requested in writing by a mortgages of an apartment unit, shall promptly report any then unpaid association charges due from, or any other default by the owner of the mortgaged apartment unit.

Section 2. Notice of Default: The Board of Directors, when giving notice to a unit owner of a default in paying common charges or other default, may send a copy of such notice to each holder of a mortgage covering such apartment unit.

ARTICLE VII **Sales and Mortgages of Units**

Section 1. No severance of Ownership: No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his apartment unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. For the purpose of the By-Laws, the "Appurtenant Interests" shall mean collectively, (i) the unit owner's undivided interest in the common areas and facilities appurtenant to such unit; (ii) the interest of such unit owner in any apartment units theretofore acquired by the Board of Directors, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such unit owner in any other assets of the Condominium.

Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including the interest or interests so omitted, shall be deemed to include such interests even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any apartment unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the apartment unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all apartment units.

Section 2. Sale to Board of Directors: A unit owner may, subject to mutual agreement of the parties, and subject to the provisions of Section 1 of this Article VII, sell his unit to the Board of Directors, or its designee; provided, however that such purchase by the Board of Directors shall have the prior approval of two-thirds (2/3) of the unit owners, as expressed by the vote of at least two third (2/3) in number and in common interest, of all unit owners, cast in person or by proxy in accordance with these By-Laws.

Section 3. Financing of Purchase of Apartment Units By Board of Directors: Acquisition of apartment units by the Board of Directors, or its designee, on behalf of all unit owners, may be made from the working capital and common charges in the hands of the Board of Directors, or if such funds are insufficient the Board of Directors may levy an assessment against each unit owner in proportion to his ownership in the common areas and facilities as a common charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article V, or the Board of Directors, in its discretion, may borrow money to finance the acquisition of such apartment units, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the apartment unit, together with the Appurtenant Interests, so to be acquired by the Board of Directors.

Section 4. Gifts and Devises, etc: Any unit owner shall be free to convey or transfer his apartment unit by gift, or to devise his apartment unit by will, or to pass the same by intestacy, without restriction.

Section 5. Waiver of Right of Partition with Respect to Such Apartment Units as are Acquired by the Board of Directors, or its Designee, on Behalf of All Unit Owners as Tenants in Common: In the event that an apartment unit shall be acquired by the Board of Directors, or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such apartment unit.

ARTICLE VIII

Section 1. Condemnation – Eminent Domain: In the event of a taking by condemnation or by eminent domain of part or all of the common areas and facilities, the award made for such taking shall be payable to the Board of Directors for disbursement and/or payment of the common expenses.

ARTICLE IX Records

Section 1. Records and Audits: The Board of Directors or the managing agent shall keep detailed records of the actions of the Board of Directors and the managing agent, Minutes of the meetings of the Board of Directors, Minutes of the meetings of unit owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each apartment unit which, among other things, shall contain the amount of each assessment of common charges against such apartment unit, the date when due, the amounts paid thereon, and the balance remaining unpaid.

Each unit owner shall be permitted to examine all accounts, records and contracts of the Association in the Condominium office at reasonable times, on business days, but not more

often than once a month. All others must request any required information from the Board of Directors.

An annual report of the receipts and expenditures of the Association, examined and approved by a licensed accountant not affiliated with the Association and chosen by the Board of Directors, shall be rendered to the Board and sent, within a reasonable time after the end of each fiscal year, to all unit owners who request it.

ARTICLE X **Miscellaneous**

Section 1. Notices: All notices hereunder shall be sent by registered or certified mail to the Board of Directors c/o the managing agent, or if there is no managing agent, to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time, by notice in writing to all unit owners and to all mortgagees of apartment units.

All notices to any unit owner shall be sent by registered or certified mail to the Building or to such other address as may have been designated by him from time to time, in writing, to the Board of Directors. All notices to mortgagees of apartment units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address, which shall be deemed to have been given when received.

Notwithstanding the requirements of this section, all notices of regular, special and Annual Meetings of the unit owners, Board of Directors, and committees of the Board or otherwise, shall be by first class mail but without the requirement of registration or certification. The applicable notice shall be sent so as to comply with the required time limits, if any, to the regular mailing address of the designated party as recorded in the books of the Association.

Section 2. Invalidity: The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or described the scope of these By-Laws, or the intent of any provision thereof.

Section 4. Gender: The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver: No restrictions, condition, obligation or provisions contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Insurance Trustee: The Board of Directors may appoint a Trustee to distribute large amounts of any insurance proceeds. The trustee so appointed may be any individual or entity, so long as such is properly bonded in relation to the funds and responsibility involved.

ARTICLE XI
Amendments to By-Laws

Section 1. Amendments to By-Laws: Except as hereinafter provided, these By-Laws may be modified or amended by the vote of 66-2/3% in number and in common interest of all unit owners.

ARTICLE XII
Execution of Instruments and Seal

Section 1. Execution and Instruments: All instruments of the Condominium shall be executed under seal by such officer or officers as the Board of Directors may designate, or as may be otherwise authorized.

Section 2. Seal: The seal of the Condominium shall be as determined by the Board of Directors from time to time.

ARTICLE XIII
Conflicts

Section 1. Conflicts: These By-Laws are set forth to comply with the provisions of Sections 917 and 918 of Chapter 33, Title 28, Virgin Islands Code. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

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05/11/2012 2:54PM
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ST THOMAS/ST JOHN
P. COURTNEY REESE, ESQ.
RECORDER OF DEEDS
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